

## Message Text

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ACTION EA-12

INFO OCT-01 ISO-00 EB-08 COME-00 TRSE-00 L-03 H-01

PA-01 ICA-11 CIAE-00 INR-10 NSAE-00 /047 W

-----088902 280528Z/11

R 270956Z JUL 78

FM AMEMBASSY MANILA  
TO SECSTATE WASHDC 9213

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E.O. 11652: N/A

TAGS: EGEN, RP, US

SUBJECT: GOP FILES ESCHEAT PROCEEDINGS AGAINST BOA PROPERTY

1. SOLICITOR GENERAL ESTELITO P. MENDOZA FILED JULY 14  
ESCHEAT PROCEEDINGS FOR A GOP TAKEOVER OF A 3,000 SQUARE  
METER PROPERTY ON MCKINLEY ROAD IN FORBES PARK WHICH THE  
BANK OF AMERICA (BOA) HAD OWNED BUT DID NOT DIVEST AS A  
RESULT OF THE EXPIRATION OF LAUREL-LANGLEY. PROPERTY  
CONTAINS LARGE HOUSE AND WAS USED AS THE RESIDENCE OF THE  
BOA MANAGER.

2. MENDOZA PETITION IS THE FIRST ESCHEAT PROCEEDING  
AGAINST AN AMERICAN LANDHOLDING ACQUIRED UNDER LAUREL-  
LANGLEY. ALL SUCH PROPERTIES, EXCEPT FOR OLDTIMERS LIVING  
IN THEIR OWN HOMES, WERE SUBJECT TO DIVESTMENT ON  
JULY 3, 1974, THE DATE OF EXPIRATION OF LAUREL-LANGLEY.  
PRESIDENT MARCOS GAVE A GRACE PERIOD UP TO MAY 27, 1975  
WHICH WAS SUBSEQUENTLY EXTENDED FOR ANOTHER YEAR.

3. PRESS AND EDITORIAL COMMENT HAVE STRESSED THE EVIDENCE  
OF FILIPINO AND PRESIDENTIAL MAGNANIMITY, AND THAT THE  
ESCHEAT PROCEEDINGS CANNOT BE DEEMED ARBITRARY OR CON-  
FISCATORY. ESCHEAT PROCEEDINGS WERE CONSIDERED NECESSARY  
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FOR THE GOP TO AFFIRM THE MAJESTY OF ITS LAWS, PARTICULARLY THE CONSTITUTION.

4. BOA OFFICER TOLD EMBOFF THAT HE HAD INHERITED A  
VOLUMINOUS FILE A YEAR AGO WHEN HE ARRIVED IN MANILA.  
HE STATED THAT BOA INACTION WAS NOT A DELIBERATE ATTEMPT  
TO GET AROUND PHILIPPINE LAWS. BOA OFFICIALS AND THEIR

LAWYERS HAVE DISCUSSED THE PROPERTY WITH BOTH BOARD OF INVESTMENTS AND MENDOZA FOR THE LAST THREE YEARS. OTHERWISE HE WAS NOT VERY INFORMATIVE ABOUT THIS ASTOUNDING DEVELOPMENT AFFECTING AMERICA'S LARGEST BANK.

5. COMMENT. WHETHER IT WAS A BUREAUCRATIC SNAFU OR A HOPE FOR CONTINUED OWNERSHIP, BOA HANGING ONTO PROPERTY IS INEXPLICABLE IN THE FACE OF DIVESTMENT BY ALL OTHER U.S. COMPANIES. ALTHOUGH THERE WAS SOME WILD TALK IN 1975 ("LET THEM TAKE MY HOUSE AWAY"), EVENTUALLY EVERY U.S. COMPANY DIVESTED AS FAR AS WE KNOW. SURFACING OF BOA CASE CAME AS A SURPRISE, AND WE HAVE SUGGESTED GENTLY TO BOA THAT IT FIND A GRACEFUL WAY OUT. SEPTEL FOLLOWS ON SEPARATE PROBLEM WHICH BOA FACES IN DISPOSING OF ITS 30 PERCENT SHARE IN INSULAR BANK OF ASIA AND AMERICA. END COMMENT. MURPHY

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NNN

## Message Attributes

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**Channel Indicators:** n/a  
**Current Classification:** UNCLASSIFIED  
**Concepts:** n/a  
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**Disposition Date:** 20 Mar 2014  
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**Enclosure:** n/a  
**Executive Order:** N/A  
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**Review Markings:**  
Sheryl P. Walter  
Declassified/Released  
US Department of State  
EO Systematic Review  
20 Mar 2014  
**Markings:** Sheryl P. Walter Declassified/Released US Department of State EO Systematic Review 20 Mar 2014